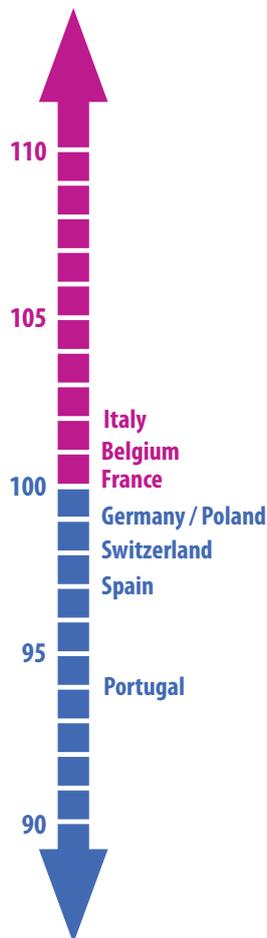


The Eurelia «barometer» survey : 8-month cumulative total, 2011

A sharp trend reversal is observed on the 8 countries covered by the survey



Whereas by late May our barometer survey clearly revealed a rather dynamic international sales situation, which even exceeded that of France with the exception of Spain and Portugal, a brutal change in the overall trend has since occurred, taking the form of a shockwave occurring between late May and August according to the markets concerned.

Northern Europe acts as if anticipating difficulties to arise: the slowdown has been brutal in Germany, Austria and the Netherlands. For its part, southern Europe has benefited from social measures enabling it to maintain reasonable consumption levels.

The summer sales brought a temporary boost and made it possible to avoid a situation in which all countries were displaying negative figures for this eight-month milestone. However, the high outdoor temperatures encountered during September led to a downturn in the ready-to-wear markets in all European states.

As a result, there is cause for concern in all of the eight markets covered by the barometer survey for end 2011. What sort of consumption patterns can we expect for the last four months of the year against a backdrop of Europewide austerity measures and threats to the euro zone ?

> [Methodological notes](#)

The Eurelia « barometer » survey shows the prevailing turnover trends of the 90 member retail chains based on a comparable perimeter (for the current year compared to the previous year). According to the level of maturity of the retail infrastructure in the countries studied, from 12 to more than 30 leading retail sites (streets, shopping centers) are included in the barometer. The performances on these sites are collected on a monthly basis, analyzed and further enhanced thanks to commentary from members. The Eurelia Barometer is published every quarter.

Founded 20 years ago by Michel Pazoumian, General manager of Procos and Emmanuel de Labarre, Eurelia enables specialised retail chains to learn more about new countries offering potential sites for their businesses, providing a thorough analysis of the retail dynamics of the European markets, studies of the major European cities in addition to a database of retail projects.

In 2011, Eurelia represents 90 specialised retail chains expanding internationally, and more than 25,000 sales outlets around the world.

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Italy	102	Although the Italian summer has been a rather positive one for our eurelia members, August saw a fall (- 4%) and a great deal of uncertainty is hanging over the end of year due to the recent VAT increase in September, the fall in traffic which began in June with the announcement of the austerity measures and a very hot September which has had an adverse knock-on effect regarding ready-to-wear clothing in the autumn/winter collections.
Belgium	101	The positive cumulative total (+1%) tends to obscure a significant trend reversal. Figuring as a sales growth «champion» in 2011 (i.e. a cumulative total for January-May which stood at +5%), for the first time in the year Belgium is experiencing a sharp downturn. June was not a good month but was «saved» by the July sales ensuring that the cumulative 8-month total remains slightly in the black. Consumption levels are being maintained thanks to the Belgian social system which cushions the effects of unemployment. But September appears less favourable, with a fall of around 7% for personal garment.
France	100.3	A period marked by major calendar-related effects including the postponement of the date of the sales, poor figures for the previous year and summer weather in early spring. The changes in the figures for the first half year in France were mechanically inflated, creating the illusion of a healthy business climate. After these first six deceptive months, the summer is now revealing a significantly worse situation with lower visitor numbers, lower average spends and lower purchasing conversion rates in store. This change is confirmed by an eight-month cumulative growth rate of just 0.3%, i.e. a fall of two percentage points compared to 2010 (+2.3%). The store chains are remaining extremely cautious regarding the second half year.
Germany	99	The year 2011 appears to be on course for a slowdown compared to 2010, when sales ended up by +2%. June, July and August were significantly worse than in 2010, with the retail trade experiencing a fall in both visitor numbers and conversion rates as in other European markets. Are German consumers, who traditionally have a tendency to save, concerned about all the talk of a weakened euro zone?
Poland ⁽¹⁾	99	The three summer months ended down. Even the leading shopping centres in Warsaw have not escaped these falls. Despite the fundamental indicators remaining healthy (GDP and falling unemployment, etc.), the retail sector has experienced a fall in visitor numbers as in 2010. Will Polish consumers choose to adopt a cautious approach, particularly during an election period and with a Swiss franc exchange rate affecting households which have taken out loans in this currency?
Switzerland	98	Sales suddenly plunged in June, dragging down the cumulative total which had been particularly dynamic throughout 2011 (i.e. the cumulative total for January-May 2011 stood at +3%). The exchange rate of the Swiss franc penalised the Geneva region, driving clients over the border to France. But more generally has the confidence of Swiss consumers and of financial circles taken a hit as occurred in 2008?
Spain ⁽²⁾	97	The good news from the summer was the record numbers of tourists, the effects of which particularly favoured Madrid and the Mediterranean coast. However, the economic climate remains worrying and the fall in household consumption is continuing. July and August saw falls of between -3% and -5% for the ready-to-wear sector. These falls are set to continue in September with figures of between -10 and -20% expected. The 20% unemployment rate is affecting consumption particularly in the medium to low range segments. Even the hypermarkets are experiencing a decline in visitor numbers, as are the shopping malls.
Portugal ⁽²⁾	94	After entering a crisis situation in late 2010, Portugal continues to be severely affected. Consumption has not recovered and visitor numbers at shopping malls remain low. Recent mall openings lead to cannibalisation effects, which are being particularly heightened due to the economic situation.

⁽¹⁾ In local currency (zloty) - ⁽²⁾ Analysed in partnership with the Retail & Trade Marketing agency of Barcelona, co-founder with Eurelia of the Eurelia Spain/Portugal - Retail & Trade Marketing retailers' federation.